



October 30, 2020

Mr. Christopher J. Kirkpatrick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Re: ICE Clear Europe Self-Certification Pursuant to Commission Rule 40.6 –
Amended Delivery Procedures

Dear Mr. Kirkpatrick:

ICE Clear Europe Limited (“ICE Clear Europe” or the “Clearing House”), a registered derivatives clearing organization under the Commodity Exchange Act, as amended (the “Act”), hereby submits to the Commodity Futures Trading Commission (the “Commission”), pursuant to Commission Rule 40.6 for self-certification, amendments to its Delivery Procedures (the “Delivery Procedures” or “Procedures”) discussed herein. The amendments will become effective on the first business day following the tenth business day after submission, or such later date as ICE Clear Europe may determine.

Concise Explanation and Analysis

ICE Clear Europe is amending Part A of its Delivery Procedures.

The Clearing House is amending the definitions of the terms “Carbon Emissions Allowance” or “EUA” to provide that such terms include allowances that are valid for determining compliance with emission limitations commitments during the period starting from 1 January 2021, with respect to the ICE Futures EUA Phase 4 Daily Futures Contract only, which is a new contract expected to be listed for trading by ICE Futures Europe. Other amendments to those definitions remove unnecessary words for conciseness.

Other amendments to Part A simplify the drafting to state that Part A applies to all ICE Deliverable EU Emissions Contracts which go to physical delivery on the expiry date (“ICE Deliverable EU Emissions Contracts”), rather than reference such contracts individually. In Part A of the Delivery Procedures, the new defined term “ICE Deliverable EU Emissions Contracts” has been introduced in lieu of naming the following separate contracts: ICE Futures EUA Futures Contract, ICE Futures EUA Daily Futures Contract, ICE Futures EUA Auction Contract, ICE Futures EUAA Futures Contract, ICE Futures EUAA Auction Contract, ICE Futures CER Futures Contract and ICE Futures CER Futures Daily Contract. These changes are general drafting clarifications and improvements for improved readability and conciseness.

Compliance with the Act and CFTC Regulations

The amendments to the Delivery Procedures are potentially relevant to the following core principles: (C) Participant and Product Eligibility and (E) Settlement Procedures, and the applicable regulations of the Commission thereunder.

- *Product Eligibility.* The amendments to the Delivery Procedures incorporate into the existing Delivery Procedures the new ICE Futures EUA Phase 4 Daily Futures Contract, in a manner similar to other EU emissions contracts and supported by ICE Clear Europe’s existing financial resources, risk management, systems and operational arrangements. ICE Clear Europe believes such arrangements are sufficient to support clearing of the Phase 4 Daily Futures Contract (and to address physical delivery under such contract), and to manage related risks. The amendments also simplify and clarify the application of the existing Delivery Procedures to the other ICE Futures Europe EU emissions contracts. In ICE Clear Europe’s view, the amendments are thus consistent with the requirements of Core Principle C and Commission Rule 39.12(b).
- *Settlement Procedures.* As discussed above, the amendments establish procedures applicable to delivery under the ICE Futures EUA Phase 4 Daily Futures Contract and make certain other amendments and clarifications. The amendments thus set out the role and responsibilities of the Clearing House and Clearing Members in the physical delivery process. As a result, ICE Clear Europe believes the amendments are consistent with the requirements of Core Principle E and Commission Rule 39.14.

As set forth herein, the amendments consist of the amendments to the Delivery Procedures, a copy of which is attached hereto.

ICE Clear Europe hereby certifies that the amendments comply with the Act and the Commission’s regulations thereunder.

ICE Clear Europe received no substantive opposing views in relation to the proposed amendments.

ICE Clear Europe has posted a notice of pending certification and a copy of this submission on its website concurrent with the filing of this submission.

If you or your staff should have any questions or comments or require further information regarding this submission, please do not hesitate to contact the undersigned at giulia.honorati@theice.com or +44 20 7429 7127.

Very truly yours,

A handwritten signature in black ink that reads "Giulia Honorati". The script is cursive and fluid.

Giulia Honorati
Manager Regulation & Compliance